



# COMPARISON OF TRS BILLS

The House and Senate each have a priority bill related to increasing benefits for Teacher Retirement System annuitants. This chart outlines key differences between the two bills. These bills have not made it all the way through the legislative process and are likely to change as they proceed. Please follow ATPE's [TeachtheVote.org](https://www.teachthevote.org) blog for updates.

SB 10 BY HUFFMAN	HB 600 / HJR 2 BY BONNEN <small>Note: HB 600 would not take effect unless HJR 2 is approved by voters Nov. 7, 2023.</small>
<b>PENSION CONTRIBUTION CHANGE</b>	
None.	<p>Beginning Sept. 1, 2023, the state's contribution rate would increase from <b>8.25% to 9%</b> of salary.</p> <p>Beginning Jan. 1, 2024, the active's member contribution rate would increase from <b>8.25% to 9%</b> of salary.</p> <p>The public employer's (e.g., ISD's) contribution rate remains unchanged (2% of salary).</p>
<b>ONE-TIME STIPEND (REGARDLESS OF ANNUITY AMOUNT)</b>	
One-time <b>\$7,500</b> for eligible retirees <b>age 75</b> and older. TRS must issue the stipend no later than February 2024. Estimated annuitants: <b>186,000</b> .	One-time <b>\$5,000</b> for eligible retirees <b>age 70</b> and older. TRS must issue the stipend no later than February 2024. Estimated annuitants: <b>290,000</b> .
<b>ONE-TIME COST-OF-LIVING ADJUSTMENT (COLA)</b>	
To eligible retirees who retired prior to Jan. 1, <b>2022</b> .	To eligible retirees who retired prior to Jan. 1, <b>2021</b> .
N/A	<p>6% COLA if retired 20+ years</p> <ul style="list-style-type: none"> <li>Effective date of retirement: Before Jan. 1, 2004</li> <li>Average monthly increase: \$117</li> <li>Estimated annuitants: 108,000</li> </ul>
<p>4% COLA if retired 10+ years</p> <ul style="list-style-type: none"> <li>Effective date of retirement: Before Sept. 1, 2013</li> <li>Average monthly increase: \$81</li> <li>Estimated annuitants: 270,000</li> </ul>	<p>4% COLA if retired 10-19 years</p> <ul style="list-style-type: none"> <li>Effective date of retirement: Jan. 1, 2004 to Dec. 31, 2013</li> <li>Average monthly increase: \$84</li> <li>Estimated annuitants: 163,000</li> </ul>
<p>2% COLA if retired fewer than 10 years</p> <ul style="list-style-type: none"> <li>Effective date of retirement: Sept. 1, 2013 to Dec. 31, 2021</li> <li>Average monthly increase: \$46</li> <li>Estimated annuitants: 176,000</li> </ul>	<p>2% COLA if retired three to nine years</p> <ul style="list-style-type: none"> <li>Effective date of retirement: Jan. 1, 2014 to Dec. 31, 2020</li> <li>Average monthly increase: \$45</li> <li>Estimated annuitants: 150,000</li> </ul>
<b>FUTURE GAIN-SHARING COST-OF-LIVING ADJUSTMENT (COLA)</b>	
None.	If TRS investments have exceeded certain thresholds over a five-year period, eligible annuitants could receive another COLA each fiscal year beginning Sept. 1, 2028. The amount of this gain-sharing COLA, not to exceed 2%, would depend on how much the fund has surpassed its assumed rate of return over the preceding five-year period. Future retirees would have a three-year waiting period before becoming eligible for any such gain-sharing COLA.
<b>PAYMENTS TO MAINTAIN ACTUARIAL SOUNDNESS</b>	
None.	\$630 million a year ongoing payment. In addition to state contributions, each fiscal year the state would make a legacy payment determined by TRS' actuary to fully fund the pension system by August 31, 2054.
<b>TOTAL COST</b>	
<b>Total Cost for FY24/25: \$4.72 billion</b>	<b>Total Cost for FY24/25: \$3.45 billion</b>